

PIFE SYMINGTON
GOVERNORArizona
State Land Department1616 WEST ADAMS
PHOENIX, ARIZONA 85007J. DENNIS WELLS
STATE LAND COMMISSIONER

August 6, 1997


Attn: O.T. Owens
Cyprus Bagdad Copper Corporation
P.O. Box 245
Bagdad, AZ 86321Re: Request for Proof of Insurance, # 03-001393

Dear Lessee/Permittee:

Your lease/permit may be in default and subject to cancellation for noncompliance.

The Arizona State Land Department records indicate that annual proof of insurance has not been submitted as required in the above-referenced lease/permit terms. The expiration date of your policy was July 1, 1997. Please provide proof of insurance within 30 days of this letter.If the certificate of Insurance applies to more than one lease/permit, all lease/permit numbers must be listed and a copy of the certificate provided for each lease/permit. It is important that your insurance agent receive all lease/permit numbers so that these numbers are referenced on the certificate of Insurance.The Arizona State Land Department must be named as **ADDITIONAL INSURED** on the certificate/policy.

Sincerely,


James L. Adams
Lease Administrator
Commercial Leasing Section
602-542-2650Sue
602-542-4668-fap**PLEASE FORWARD ALL INSURANCE CERTIFICATES TO:**Attention: Commercial Leasing Section
Arizona State Land Department
1616 W. Adams
Phoenix, AZ 85007

CL06 revised July 14, 1997

PDC001301